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SETTLEMENT PLANNING AND DEVELOPMENT

A Strategy for Land Policy

Nathaniel Lichfield

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SETTLEMENT PLANNING AND DEVELOPMENT:
A STRATEGY FOR LAND POLICY

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FOREWORD

"Land, because of its unique nature and the crucial role it plays in human settlements, cannot be treated as an ordinary asset controlled by individuals and subject to the pressures and inefficiencies of the market."

These words begin the preamble to the Recommendations for national action on land made at the U.N. Conference on Human Settlements when it met in Vancouver in 1976.

Land is the essence of life. Without it, life as we know it would never have started and could not have continued throughout the ages. As the source of all food supply, land is a common concern over the entire globe, regardless of political or social circumstances. In another sense, land is location or space and is equally essential to our continuing existence. All human activities need land—for housing, industry, education, health, and for the transportation systems connecting all those activities and the communities that comprise them. Land is both the source of living and the space on which to live. The conflicts between these two functions emphasize their interdependence and complementary requirements.

Since time immemorial, food production and living space have competed for land, often the same land, from the Euphrates and Tigris Valleys in Babylon or the Nile in Egypt to the growing regions of the Ruhr and the Rhine and the Polder lands in Western Europe, to Ontario's Niagara Peninsula or B.C.'s Lower Fraser Valley. Everyone can think of specific examples of land use conflicts. Land's preciousness has given it a unique role in man's life, making it a scarce commodity with a consequent ever-escalating price tag. Land is often referred to as real estate, as if it were the only real property in a literal sense, and this concept has made it a commodity of trade when in fact it is a natural resource of irreplaceable value. Here is another source of conflict. Yet one further aspect of land compounds the dilemma: because of its scarcity and because of its irreplaceable food-producing and space

value, governments acting on behalf of many constituents have entered the arena to decide how to use land and to arbitrate its social, economic, and spatial use.

Hence, three sources of conflict over land have arisen: whether it should be used for food production or living space; whether it should be regarded as a resource or commodity; and whether it should be developed by private ownership under free market conditions or by government intervention and control.

These conflicts are responsible for making land the source of argument throughout man's history to the present and presumably for decades to come. Indeed time has sharpened the conflict as more and more people live on less and less land and as urban settlements grow and multiply and compete fiercely for a resource of finite quantity.

In recognition of the global significance of these issues and the United Nations' initiative of convening Habitat '76 in Vancouver, the University of British Columbia established its Centre for Human Settlements. The Centre's mandate includes continuity of research and dissemination of the issues underlying the Habitat Conference, highlighted by its many resolutions. The Centre pursues its mandate through a programme of invitational seminars involving academics and professionals and attracting scholars-in-residence to spend varying amounts of time on the campus for research and teaching. Subsequently, the Centre publishes the proceedings of the seminars and the work of its scholars-in-residence through the University of British Columbia Press, which generously agreed to initiate a continuing series under the general heading of Human Settlement Issues. It is our hope that the publication of scholarly work and seminar proceedings will materially assist in forwarding the work initiated by the U.N. conference and encourage governments and international organizations to act upon the resolutions adopted in Vancouver.

It is our pleasure to continue the human settlement issue series with Professor Lichfield's *Settlement Planning and Development: A Strategy for Land Policy*. Its author, Dr. Nathaniel Lichfield, is a leading scholar and practitioner in the field of land economics who has made a major contribution during the last thirty years to our understanding of the process of urbanization and its linkage to land as its essential component. Dr. Lichfield's "Economics of Planned Development" published twenty-five years ago established a new perspective for successive generations of planners. Since then, Dr. Lichfield has been Professor of the Economics of Environmental Planning at the University of London and has served as consultant to a wide range of national and local governments. He has been honoured at home and

abroad for his professional and academic work and was scholar-in-residence at our Centre during November, 1978. The present monograph, while building directly on the U.N. Habitat resolutions, indicates both the urgency and the importance of continuing analysis in resolving land issues and their relationship to broader public policy. While Habitat and other public conferences have articulated land policy requirements, it is now urgent to find ways and means of implementation and to focus on policy instruments in making agreed-upon policies work.

It is in this context that *Settlement Planning and Development: A Strategy for Land Policy* takes its appropriate place in the sequence of monographs which started with Professor Len Gertler's work *Habitat and Land.*

H. PETER OBERLANDER
Director
Centre for Human Settlements

I

INTRODUCTION

The June 1976 Habitat conference, held in Vancouver, was one of an impressive and significant series of United Nations international conferences on world population, world food, industrial development, International Women's Year, the human environment, and water. While the preceding conferences had recommendations pertinent to human settlement planning, it is the Habitat conference which dealt directly with the topic. The report which emerged was impressive in scope, not only because of its content but because of the substantial agreement on its strong declaration of principles, guidelines for action, and recommendations for national action and international co-operation.[1]

However impressive the report, it is only part of the total impact of the conference. There was also valuable international co-operation in preparatory work for the conference; stimulus to individual nations in preparing preliminary national reports; the group dynamics of the conference itself; the stimulus of non-governmental organizations and others in the Habitat forum; the production of important audiovisual material and documentation; follow-up meetings in various regions; and stimulus to national action, both governmental and other.

What is important is to apply the knowledge gained from Habitat both nationally and internationally, in advancing the conditions of human life. Success in this area is vital.

> In meeting this challenge, human settlements must be seen as an instrument and object of development. The goals of settlement policies are inseparable from the goals of every sector of social and economic life. The solutions to the problem of human settlements must therefore be conceived as an integral part of the development process of individual nations of the world community.[2]

My concern, and the central focus of this monograph, is to contribute to the advancement of Habitat's recommendations in all the subscribing nations.[3] In tackling this task I am not considering the

organizational and political issues involved, nor the degree to which individual countries feel bound to adopt the recommendations. This is the ongoing duty and privilege of the governmental and non-governmental organizations themselves. I am simply exploring the substance of the recommendations.

I do not cover the whole scope of the Habitat recommendations but concentrate only on the recommendations about land.[4] In adopting this priority I am following the claim of the Habitat report that use of land is a unique feature of human settlements and plays a crucial and strategic role in their development.[5]

> Land, because of its unique nature and the crucial role it plays in human settlements, cannot be treated as an ordinary asset, controlled by individuals and subject to the pressures and inefficiencies of the market. Private land ownership is also a principal instrument of accumulation and concentration of wealth and therefore contributes to social injustice; if unchecked, it may become a major obstacle in the planning and implementation of development schemes. Social justice, urban renewal and development, the provision of decent dwellings and health conditions for the public can only be achieved if land is used in the interests of society as a whole.
>
> Instead, the pattern of land use should be determined by the long-term interests of the community, especially since decisions on location of activities and therefore of specific land uses have a long-lasting effect on the pattern and structure of human settlements. Land is also a primary element of the natural and man-made environment and a crucial link in an often delicate balance. Public control of land use is therefore indispensable to its protection as an asset and the achievement of the long-term objectives of human settlement policies and strategies.

I do not discuss the whole treatment of land, but rather concentrate on land policy. A definition of this term is given below. Provisionally, it can be defined as policies relating to land and aimed at the implementation of plans for the development of human settlements.

Before discussing land, we should consider its place in the context of the Habitat recommendations.[6] These recommendations are preceded by the Declaration of Principles.[7] The declaration identifies the issues, suggests solutions, formulates general principles, and concludes with guidelines for action. The action urged is a charter for the *planned* development of human settlements in a rapidly urbanizing world.[8]

> It is the responsibility of Governments to prepare spatial strategy plans and adopt human settlement policies to guide the socio-economic development efforts. Such policies must be an essential component of an over-all development strategy, linking and harmonizing them with policies on industrialisation, agriculture, social welfare, and environmental and cultural preservation so that each supports the other in a progressive improvement in well-being of all mankind.

A human settlement policy must seek harmonious integration or co-ordination of a wide variety of components, including, for example, population growth and distribution, employment, shelter, land use, infrastructure and services. Governments must create mechanisms and institutions to develop and implement such a policy.

This is a significant statement to a world which in the late seventies is assessing attempts at comprehensive planning in national, regional, and urban development over the preceding quarter century and coming up with strong doubts about their value.

However, the guidelines only introduce the report, which contains the six recommendations for national action noted above (of which one concerns land). While this wide-ranging sweep is not my immediate interest, it is significant here as the background for my discussions and thus some indication of the contents of the report is needed. Appendix 1 reproduces the opening two paragraphs of the preamble to each group of recommendations, which are: (a) settlement policies and strategies; (b) settlement planning; (c) shelter, infrastructure, and services; (d) land; (e) public participation; and (f) institutions and management.[9]

2

MAKING THE LAND RECOMMENDATIONS OPERATIONAL

The tone of the land recommendations is evident in their preamble.[1] The recommendations themselves come under seven headings, as indicated below:[2]

D.1 *Land resource management*: Land is a scarce resource whose management should be subject to public surveillance or control in the interest of the nation.

D.2 *Control of land use changes*: Change in the use of land, especially from agricultural to urban, should be subject to public control and regulation.

D.3 *Recapturing plus value*: The unearned increment resulting from the rise in land values resulting from change in use of land, from public investment or decision or due to the general growth of the community must be subject to appropriate recapture by public bodies (the community), unless the situation calls for other additional measures such as new patterns of ownership, the general acquisition of land by public bodies.

D.4 *Public ownership*: Public ownership, transitional or permanent, should be used, wherever appropriate, to secure and control areas of urban expansion and protection; and to implement urban and rural land reform processes, and supply serviced land at price levels which can secure socially acceptable patterns of development.

D.5 *Patterns of ownership*: Past patterns of ownership rights should be transformed to match the changing needs of society and be collectively beneficial.

D.6 *Increase in usable land*: The supply of usable land should be maintained by all appropriate methods including soil conservation, control of desertification and salination, prevention of pollution, and use of land capability analysis and increased by long-term programmes of land reclamation and preservation.

D.7 *Information needs*: Comprehensive information on land capability, characteristics, tenure, use and legislation should be collected and constantly

up-dated so that all citizens and levels of government can be guided as to the most beneficial land use allocation and control measures.

These seven basic recommendations are well articulated, each having an introduction followed by practical measures to implement them. There is some difficulty in relating them as operations to the substance of the comparable recommendations and articulations in the preceding three groups of settlement recommendations concerning settlement policies and strategies, settlement planning in a national context, and shelter, infrastructure, and services.

What is not clearly spelled out is how land fits into these three groups, beyond the general indication in the guidelines for action in the opening Declaration of Principles, which reads as follows:

Land is an essential element in development of both urban and rural settlements. The use and tenure of land should be subject to public control because of its limited supply through appropriate measures and legislation including agrarian reform policies—as an essential basis for integrated rural development—that will facilitate the transfer of economic resources to the agricultural sector and the promotion of the agro-industrial effort, so as to improve the integration and organization of human settlements, in accordance with national development plans and programmes. The increase in the value of land as a result of public decision and investment should be recaptured for the benefit of society as a whole. Governments should also ensure that prime agricultural land is destined to its most vital use.[3]

My general point can be put more specifically by considering each of the seven land recommendations in turn and asking pertinent questions relating to the planning and development of settlements.

LAND RESOURCE MANAGEMENT

Emphasized here is public surveillance or control of this scarce resource in the interests of the nation, but there is little indication of how such control relates to management of the resource by those directly concerned with its utilization (such as farmers, transport undertakers, and residents) or its development by landowners and developers. In the development of settlements, the latter is a critical factor, with public control being secondary in nature, if not in importance.

CONTROL OF LAND USE CHANGES

The necessity to control land use changes and the means for doing so (zoning, direct intervention, legal controls, physical controls, planned co-ordination) are critical in developing human settlements. It is

important to know how to relate these means to the "integral part of the development process of individual nations in the world community."[4] It is not the ends which justify the means but the opposite.

RECAPTURING PLUS VALUE

Urging that unearned increment be the subject of appropriate recapture for the community, in the absence of public ownership, raises the question of what *is* appropriate. This brings us back to the rights of the state and the rights of individuals in terms of the increases in land value coming from development, as well as the issue of "compensation and betterment" or "windfalls for wipeouts." This cannot be treated simply as a formula, since it is after all the theme which has been the centre of continuing controversy over the centuries. As shown below, the issue is not simply one of social justice, the rights of individuals against the state, or principles of freedom. As allocation of resources affects distribution, so does distribution affect allocation. In other words, a formula based simply on social justice may imperil the very means of improving human settlements through the smooth working of land and property markets.

PUBLIC OWNERSHIP

As above, the critical considerations with respect to public ownership are "wherever appropriate" and "at what price." When should the public take land? This is not simply a matter of the effectiveness of this means of resolving the problems encountered in the planning and development of settlements (for example, the fragmentation of land ownership and tenure when comprehensive renewal is needed). It also concerns the competence of public institutions to administer the assembled land in the interests of human settlement planning and development. If they are unable to do so effectively, then the remedy could be worse than the disease.

With respect to price, there is the paradox that in a mixed economy the taking of land is generally for a "social" purpose, but the compensation code of a country may give priority to "market value" rather than "social value," based on private and not social use. This often means that the community is paying too much for land which is a necessary complement for private development.

PATTERNS OF OWNERSHIP

Transfer of ownership rights is essential when former patterns are impediments to needed change. When, to what degree, and how the future pattern should be created in order to be effective must be determined. Unless new patterns are created with due regard to the realities of countervailing social and economic forces, development will be frustrated.

INCREASE IN USABLE LAND

Also to be determined are when and how reclamation and conservation should be applied in specific plans for settlement development. This is not simply a matter of engineering technology but also of private and public economics. To increase the supply of "usable" land without regard to costs and the benefit to be obtained (compared with other solutions) is not enough. Here we have the familiar distinction between the "physical" and the "economic" supply of land. In making the analysis we cannot rely simply on private costs and benefits, but must also consider the long-term social effects.

INFORMATION NEEDS

In the planning process it is vital that relevant information be collected and disseminated. The critical questions are what information is needed, what degree of detail is needed, when it is needed, how the various data fit together, and how collection of information should be organized. The temptation is to collect all kinds of information which might be useful, but the essence of planning research is to pinpoint the operationally useful information and assemble it in a form which can be used in the planning process (to identify constraints, problems, opportunities, criteria for evaluation, and so on). Thus the question is how the assembly of information is to be geared to the needs for human settlement planning and development, not simply in general but in specific instances.

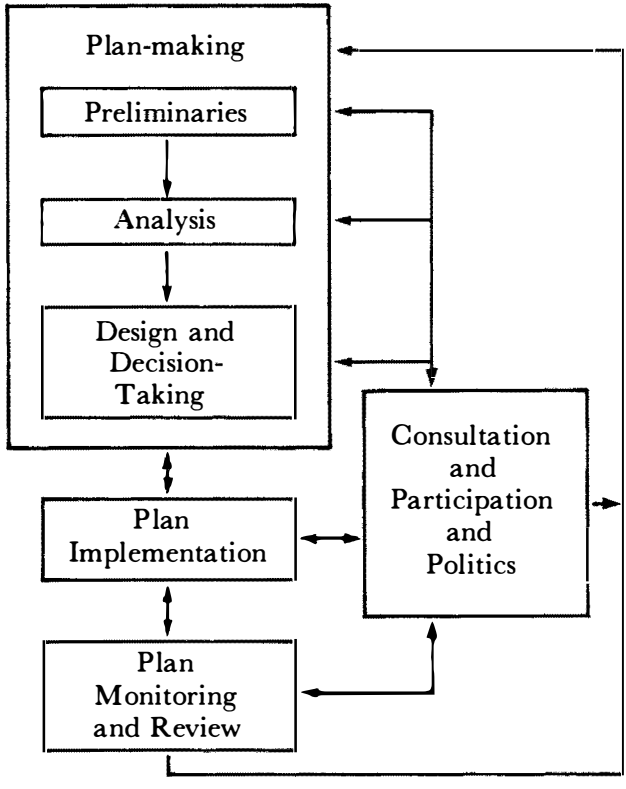
In short, therefore, for the land recommendations to be applied they need to be considered as part of the process of the planning and development of human settlements, as outlined in the first three Habitat recommendations but also with respect to subsequent recommendations concerning public participation and institutions and management.

There is no way of suggesting one model of human settlement planning and development which would be generally applicable

around the world because of the different attitudes to planning in the country, the historic origins of the initiation of the planning process, the stage of development, the kinds of problems encountered in each country, the supply of land in relation to needs, and the kind and quantity of professional training. Each country needs its own model. Moreover, each country has its own national, regional, and local planning machinery.

The only practicable approach is to formulate some idealized, synthetic, or standard model of the planning implementation process, as a basis for heuristic exploration. Since there are many such models, as used in practice and in the literature, it is necessary to adopt one for the purpose of exploration, clarification, and demonstration. Figure 1 represents standard rational models for urban and regional planning, including plan-making, plan implementation, and plan review and alteration.

Figure 1: Flow Chart of the Planning Process



Using this model, it is possible as a first step to see the seven land recommendations regrouped to make them more operational in such a planning process as follows: resource conservation and expansion, resource management and planning, implementation of development through land policy, and relevant information. However, just as there is a need to emphasize differences between countries in the planning process, so there is a need to recognize that any exploration of a "strategy for land" with respect to the seven land recommendations also needs to be differentiated. The degree of variation in the central theme perhaps would be more pronounced in relation to land than in relation to any other considerations in the array of tasks needed for settlement planning and development. Although land as a natural resource has common physical qualities the world over, it is viewed differently depending on national laws, customs, cultural attitudes, and stage of development.

Furthermore, each country has individual land policies. Some are slow to change (for example, the United States) and some rapid (for example, the United Kingdom). And there are surprising correlations between ideology and land policy in different countries. In Spain, the power to enforce use of private land in accordance with a national plan is more advanced than in Britain. In Nigeria, the federal military government has recently introduced a revolutionary land nationalization decree. Free enterprise Australia has large public institution involvement in the land market and the determination of land price. Thus, implementation of the Habitat land recommendations must be adapted to each country, specifically to the stage of its settlement and land policy planning and development, the suitability of these instruments for development, and the predictions of change in these matters over the next ten to fifteen years.

Such an exploration could cover an enormous range of topics. Some people would stress the technology involved in seeking to increase usable land through resource conservation and expansion, arguing that while the total area of the land available could be adequate for the population in, say, the next century, this is certainly not so for total "usable land," particularly for "usable land" near metropolitan populations.[5] Other people would emphasize the importance of planning for the utilization of available land through planning and management. Others would consider information needs critical, since the absence of basic topographical, cadastral, land ownership, and land use records near rapidly expanding cities in the developing world makes application of even elementary principles of settlement planning and development inefficient.

3

ARE THE LAND RECOMMENDATIONS ALSO LAND POLICY?

"LAND POLICY"

In the first book in this series, Len Gertler includes all the Habitat land recommendations as land policy, without discussion.[1] While this approach is reasonable for his purpose, which is to provide "a framework for a comparative interpretation of land policies in a group of five selected countries," for mine this matter needs probing. "Land policy" is not new as a term.[2] However, in recent years its definition has widened, as demonstrated in four studies which have "land policy" in their titles.[3] Some authors do not distinguish "land policy" from "land use policy"; some associate it with land reform; for others it is government policy in relation to the land it owns.

The variety of uses of the term is emphasized by the fact that none of the four authors referred to above attempts to define the term. Even where there is a definition, the meaning varies.[4] It is perhaps at its widest where under "urban" land policy minimal government intervention in regulating urban land resources with respect to land tenure, public land management, land title registration, land laws and courts, property taxation, property valuation, public goods, public utilities, public transport highways, and government property management is included. The scope is more than minimal when government is more actively involved in owning, using, and developing urban land resources. There could then be seven additional components: urban government structure, urban government finance, urban government and central government relations, central government fiscal and monetary policies, housing policies, regional development policies, and urban planning control.[5]

These wide-ranging treatments clearly cover policies which go beyond the focus of land and embrace all government policies dealing with land, simply because it is government which introduces and

implements land policies. In this approach, land policy covers the function of government in making laws affecting land (real property and taxation) and thereby also private land policy; in setting up and operating an urban and regional planning system for controlling land use and development; as a user of land for public purposes (government offices, civic centres, and social overhead); as developer of land for public purposes (infrastructure, roads, airports, and so on); as controller of activities on land for government programmes (for example, housing).

Even where a narrow definition is adopted, the subject itself is too big to contain. For example, a study of land tenure was interpreted by its authors as a significant contribution to the meaning and application of land policy, covering such items as national and urban land policies, national land management, land use planning, development procedures, compensation, valuation and rating, land disposal arrangements, and land development accounting.[6]

Thus, not only is the term not precisely used but it can mean many different things. In the literature and practice its use is sufficiently wide to encompass anything to do with the use of land, private or public.

A CONCEPT OF LAND POLICY FOR SETTLEMENT PLANNING AND DEVELOPMENT

Given these conflicting concepts, it is clearly necessary for anyone concerned with land policy to state his definition of land policy at the outset. The following explication was devised since the Habitat conference.[7]

In order for settlement planning to influence the future, government must guide, control, or stimulate present activities. This can be called plan implementation; together with plan-making and plan review it comes within the scope of what I call planning. To carry out this complex and lengthy process, in the open way demanded in contemporary practice, a planning system and a planning process are needed.[8] There are many models for the latter, both in the literature and in practice, as shown in Figure 1. Here it is necessary only to consider how policy affects planning.

There is general agreement in the literature and in practice that policies are designed "to give direction, coherence and continuity to the courses of action for which the decision-making body is responsible."[9] There is also much discussion on the appropriate methodology for devising policies, which I need not pursue here.[10] I will simply note that the purpose of policy-making is to suggest the means to put policy into

practice. Since land policy is often used, as here, to mean land policy *measures* the distinction must be clear.

It is generally agreed that policy should stem from explicit objectives, for without them policy tends to degenerate to illogical techniques. What is not so generally agreed is how goals and objectives are to be formulated. Should they come from ethical, normative values or opinions, or should they emerge from the findings of specific studies of facts, predictions, problems, opportunities, and constraints?[11] If the former approach is followed, the goals could be quite unrelated to reality and their non-feasibility would undermine credibility. This outcome is less likely in the latter approach.

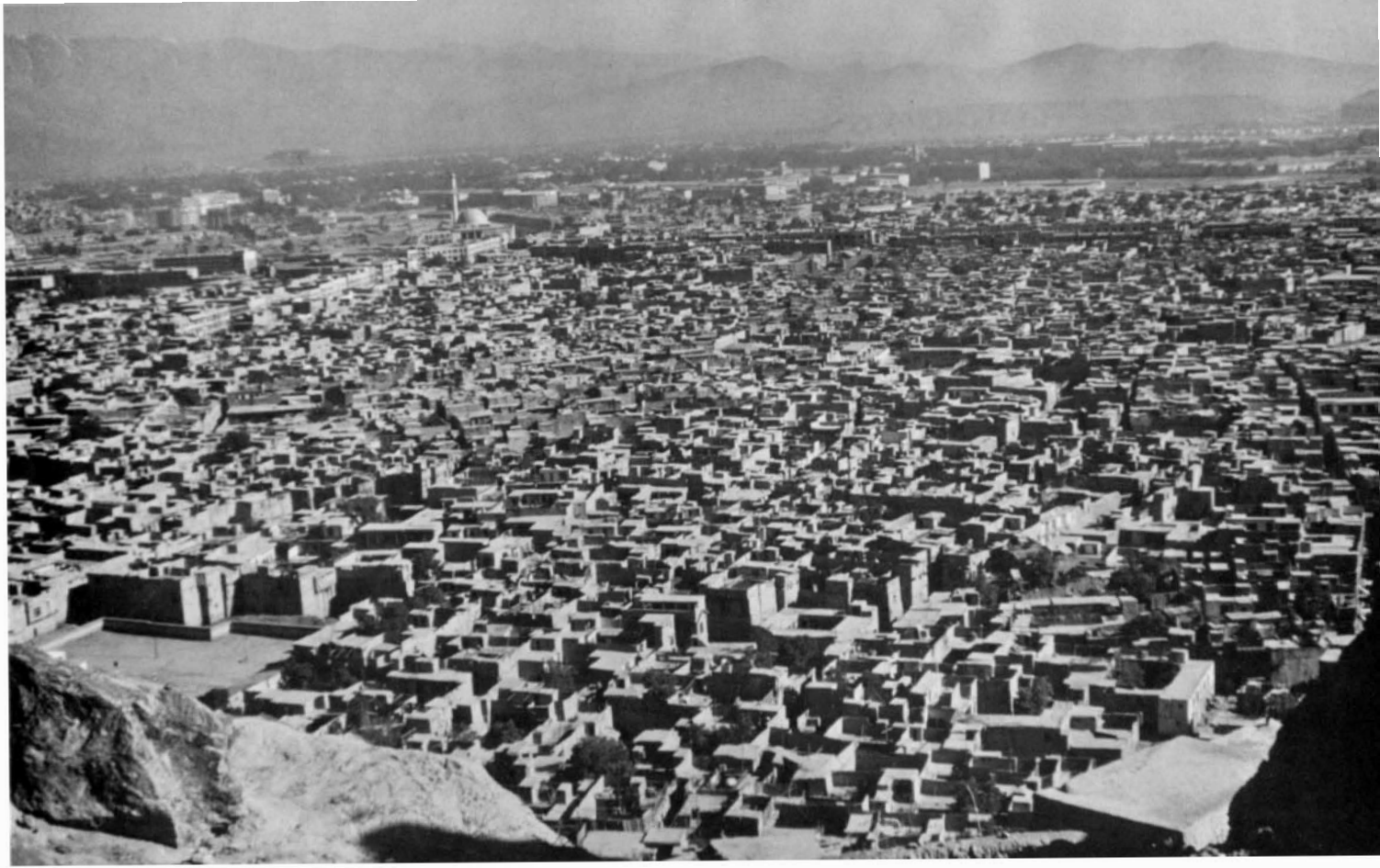
By the same token, the means used to implement policy will vary according to specific objectives. Defining objectives leads to programmes for the implementation of policies in relation to the utilization of the earth's surface, which can be called land use policy. Since the use of land in our kind of development planning is determined by whether or not it is physically developed and for what purpose and the way in which this is carried out, we can call the means of carrying out policy development policy measures.

Such measures include, for example, stimulus of an economy in economic decline, or control of density and layout at an urban site, or the prohibition of urban development on farmland in order to keep a "green belt." In this sense, "development policy" can be used to stimulate, regulate, or prevent development. Some overall development policies relate specifically to land. A common government goal is to ensure that land needed for urban and regional development is supplied in needed quantities, appropriate locations, with appropriate tenure, at the right time and at appropriate prices, having regard to efficiency and equity in the allocation of resources in pursuit of the objectives of urban and regional plans.

In essence, this goal connects land policy to implementation of policies relating to the development or non-development of land in human settlements, in urban or rural areas, applying policies initiated by the public or private sector. Examples here are the land policies suggested in the Habitat recommendations concerning control of land use changes, public ownership, and patterns of ownership. Land policy thus can be described as follows: that part of development policy employed in the implementation of urban and regional plans which are directly related to the role of land.

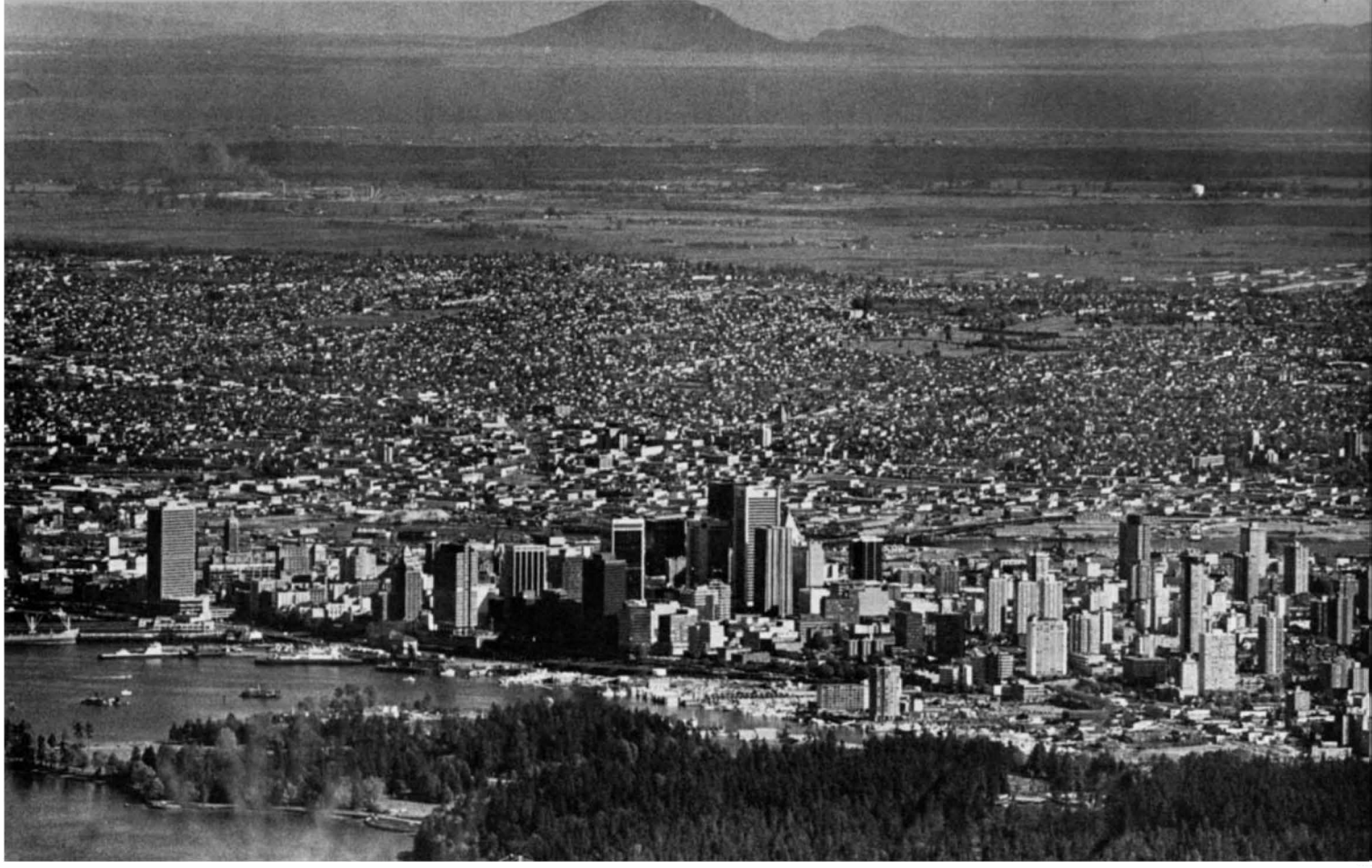
Since land is the base for all human activities, including physical development, there is clearly some difficulty in distinguishing where land policy finishes and other development policy begins. Some

1. High density housing developments such as this one in Singapore demonstrate the importance of co-ordinating land use to serve all community needs.



2. Settlements everywhere inherently reflect social and cultural attitudes towards the effective use of land. The city of Kabul, Afghanistan, is a good example of relatively low residential densities but intensive land coverage.

3. Old and new, formal and informal, uneasily co-exist in the varied topography of Santo Domingo in the Dominican Republic. There the government has struggled to achieve harmonious land use while encouraging self-help and ensuring effective services to a burgeoning population.

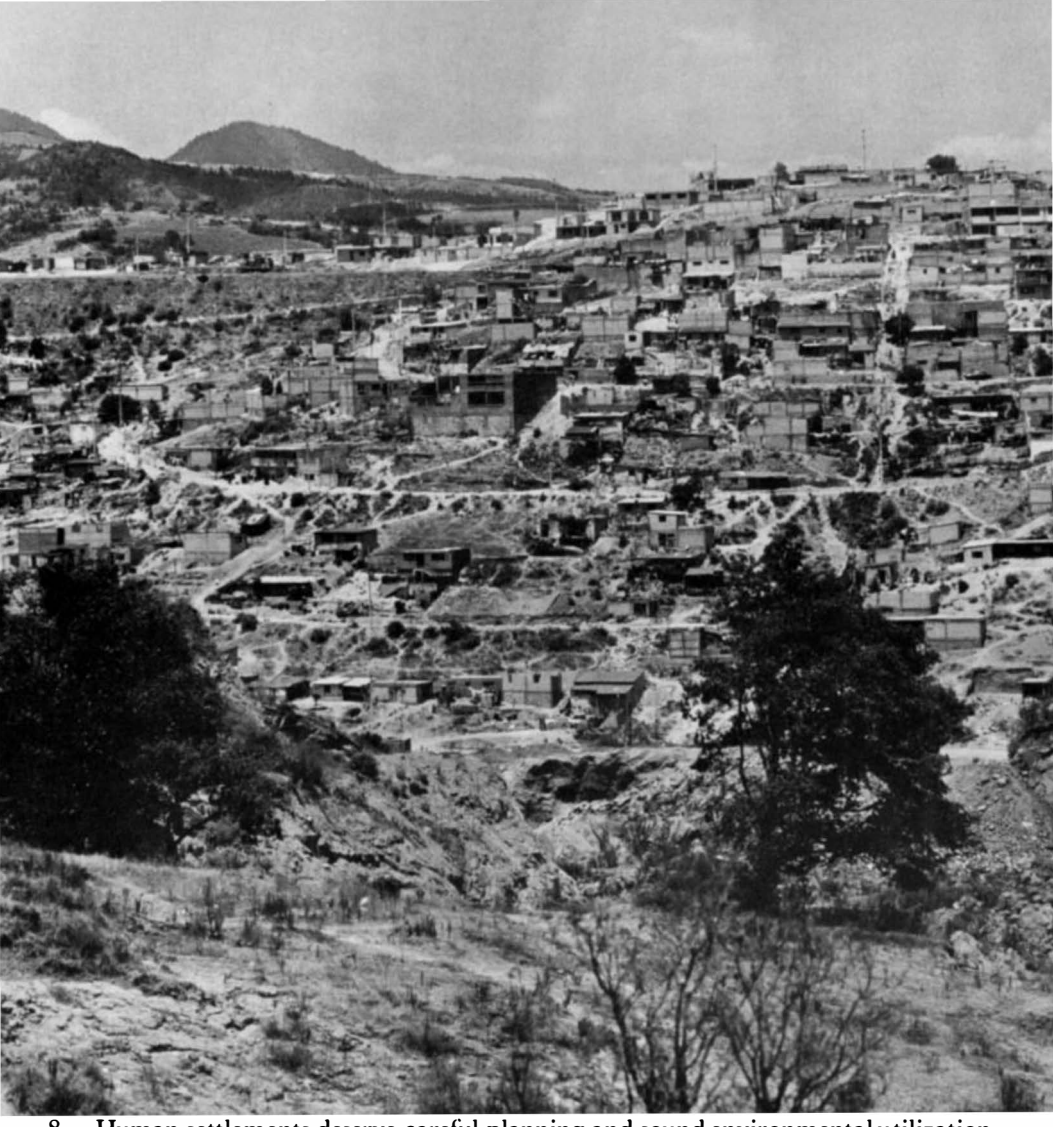


4. The cores of large cities such as Vancouver, Canada, are characterized by high density and high-rise development. Suburbs spreading from the centre occupy arable land and thereby threaten food supplies. Integrated land use policies are designed to resolve the basic competition between urban and agricultural uses.

5. Urban land has become a speculative commodity. Appropriate residential densities and differing life-styles can co-exist successfully only within the framework of co-ordinated land use policies.

6. Because it is a unique resource, land needs careful husbanding. This barren gully in the Oued Lallouf hills in Tunisia reminds man of his stewardship responsibilities.

7. Urban and non-urban uses of land are mutually interdependent and can only be sustained by comprehensive land use policies.



8. Human settlements deserve careful planning and sound environmental utilization. Mexico City, one of the fastest growing metropolitan areas of the world, is ringed by informal settlements including San Rafael Chamapa where one million people live in squatter conditions.

examples will illustrate this difficulty. Buying land for compulsory pooling of ownership as a basis for renewal is land policy. Equally, granting subsidies or low interest loans for the promotion of factories in areas of economic decline can also be considered land policy, on the basis that industrialists will bid for land which otherwise they could not afford. Some doubt arises in the case of, for example, a tax per employee in congested areas or a bonus per employee in depressed areas (to depress or stimulate employment) or taxes on vehicles in congested areas (as an aid to minimizing traffic problems). Nonetheless, the distinction is generally thought to be important because of the unique quality of land in all development and planning activities.

It follows that there must be some exclusions from land policy for human settlement planning, as indicated below. My concern is the implementation of urban and regional plans and not with the plans themselves and therefore not with the policies in such plans. Whatever the adjective used to describe planning, these can be called land use policies.

Land policies relating to the use of rural land (such as reforms in tenure, co-operative production, and marketing) would be considered relevant to the implementation of rural development plans, but land reform with the prime aim of redistributing wealth without direct relevance to the implementation of plans, would be excluded. Also excluded would be policies relating to the use of natural resources other than land (for example, water, air, fish). Although these could well come within the definition of "land," as seen by the economist, they are not a primary focus in implementation of settlement plans. Also excluded would be policies affecting the economy as a whole (such as import controls, welfare grants, and taxation) which are not specifically aimed at the implementation of local development plans. Finally, general taxation programmes whose aims are not specific for development would be excluded. Thus a distinction would be made between the general real property tax in that it merely collects revenue, as opposed to a specific tax applied to land (for example, on vacant land to stimulate development). But having excluded certain policies from land policy, it is necessary to add that we cannot thereby exclude their side-effects from the use of land, which in turn could affect land policy.

CONCLUSION

With this concept of land policy for settlement planning and development, we can now examine each Habitat land recommendation in order to see to what extent they are land policy as the term is used here.

Referring to the land recommendations described above, it is clear that the following apply here: land resource management, control of land use changes, recapturing plus value, public ownership, and patterns of ownership. Of the remaining two recommendations, increase in usable land relates to the preservation and improvement of land and information need relates to data banks and other means of disseminating or storing information needed for land policy.

There are clearly omissions from this concept of land policy for human settlement planning and development. The Habitat land recommendations contribute to but are insufficient for land policy aimed at implementation of plans for human settlements. Such a basis is provided in the concept outlined above (pp. 23-25).

4

THE SUBSTANCE OF LAND POLICY

UNIQUENESS OF LAND

It is a commonplace that land is unique, in that it is significantly different from all other aspects of economic, social, and political life.[1] Because it is unique, it requires unique policies. For one thing, land is the base for all human activities which, with such exceptions as space travel, can barely exist otherwise. For another it is available naturally. A third feature of land is that it is fixed in location, immovable, and incapable of expansion (with minor exceptions such as reclamation). It also has a special place in society in that, for example, no state which does not have control over its own land or individual who does not have access to part of that land can be said to be independent. Because of this special place in society it is difficult to grant an individual absolute ownership of any portion of land, as he might have with other material objects.

Finally, because the land is simply there, the contrast between the passive role of land ownership and the relentless activity required of those concerned with production has always raised questions about the entitlement of the increase in the plus value of land resulting from increasing population growth and economic activity.

MEANING OF LAND

The meaning of "land" is different for different sectors of society and their respective professional characteristics.[2] In physical geography, land is where settlements are created, and it is land's physical qualities which are of interest in its use. Since each parcel of land is fixed, policies must be site-specific; and because land is permanent its erosive qualities are not replaceable. Therefore physical land policies must aim at conservation.

In economics, land is a natural resource and so is costless in terms of

production, but it is only one such natural resource, and policies are also needed for the minerals below, the waters surrounding, the attached fauna and flora and the light, air and sunshine on which they depend. The meaning of land in economic terms is, therefore, wider than in terms of physical geography. Land and other natural resources are commodities for which an entrepreneur pays production costs in order to release goods and services for consumption.

To a lawyer, raw land as opposed to land with manmade improvements on it (infrastructure and buildings) cannot be handled separately since they are, in fact, used jointly; to him land therefore includes all manmade improvements.

PROPRIETARY RIGHTS AND OBLIGATIONS IN LAND

If the content of land is tangible to a lawyer in that it includes the physical surface and all manmade improvements which are fixtures, he nonetheless has a more abstract view of the ownership and possession of land and improvements on it.[3] To him, land is not the object itself, it is the rights and obligations of parties in relation to the object which are his legal concern, including the legal and institutional ownership of land, the transfer of ownership and tenure, and control over both by society.

Each such bundle of individual rights and obligations is seen as a proprietary land unit. These have evolved over the centuries to become the system of counterbalancing privileges which enable individual owners and possessors to pursue their individual objectives over which lawcourts rule according to national laws. It is the accumulation of statute and case law which, although administered by the legislature and judiciary, can be regarded as private land policy designed to facilitate the continued use, enjoyment, and development of proprietary rights, whether owned by private individuals, corporations, or public bodies.[4]

INTERNATIONAL VARIATIONS IN LAND POLICY

If we superimpose public land policy over the rights and obligations of the proprietary units we have in effect for any individual unit a particular kind of tenure, being the sum of those rights and obligations which go with private ownership and possession of property together with those which go with the accumulation of state intervention powers. The border between the two is difficult to define, for it depends upon the degree of intervention exercised and intervention measures used. For example, at one extreme there is minimal intervention, as in Houston,

Texas, where governmental planning and plan policies are slight, whereas covenants between property owners are well developed.[5] The other extreme can be seen in the U.S.S.R., where the state owns all the land and there is no market in it. We can begin to trace the border in principle by repeating briefly the logic of government intervention in land in general, as described in the introduction.

First, the market in land is notoriously more imperfect than in most other areas in that, for example, the commodity is not standardized, there are relatively few transactions, there is no central source of information, and supply is slow in adjusting to demand.[6] The corresponding results of "market failure" make even more pressing familiar intervention measures such as the provision of public goods and services to facilitate supply, supplement demand, avoid the ill effects of speculation, and take account of external factors.[7]

So pressing are these considerations that there have been strong arguments for outright nationalization of land even in mixed economies, and collectivist economies have regarded land policies as a first priority.[8] In passing, it might be noted that this does not remove the need for land policy, which is still necessary even where land is owned publicly, as in new towns. The effect is to push most land policy into the private realm as defined above; and since this is on public land, it provides another instance of the perverse nature of this objective in land policy.

Given the logic for government intervention in land policy it is clear that both theory and practice vary in time and place and that the border between private and public land policies also varies. This can be demonstrated by reference to "externalities," or external factors, which are commonly the reasons for government intervention in human settlement planning vis à vis the market, and accordingly in the implementation of such planning through land policy.[9]

It is necessary to start with the proprietary land unit as defined above—that part of the physical surface of the earth which the land tenure system has subdivided into an operating unit recognized by law, having its unique bundle of rights and obligations. The use of this unit in production or consumption determines the external factors imposed upon each other by individual units. While there are various definitions of these mutual interactions, a general one is those costs which individual decision-makers have no need to incur or benefits for which they cannot charge.

Some rights can be protected by law, as though they were part of the proprietary rights although not specifically provided for in deeds (for example, the right to quiet enjoyment of the use of property under the

law of private nuisance). But there are other rights and obligations related to the use of real property which are provided for in general statutes, where the government of the day has thought it a matter of sufficient importance to warrant the granting of general rights and obligations (for example, in the need to construct buildings to a certain standard or to avoid pollution of water courses). To some extent the detailing of these rights and obligations is left to by-laws and regulations and in other respects particular agreements are reached between authorities and landowners in relation to particular developments which then become proprietary rights and obligations (for example, agreements under the English Town and Country Planning Act, s. 52).

It would be difficult in practice to define the rights and obligations of proprietary land units beyond those specifically listed in deeds and recognized in land law, concerning which parties can nonetheless have recourse in court. To the extent that parties can have such recourse, rights and obligations can be said to be within the realm of private land policy as interpreted by the courts. Public land policy is beyond this fuzzy line. The vagaries of definition are compounded in that in any particular country the boundary will shift over time, and not necessarily in the direction of enlargement or diminution of private land policy.

These changes over time in the definition can be seen broadly to be in one or two major directions. On the one hand, there are pressures for greater control over the use of land by central and local governments in the interests of better planning and development of human settlements and the avoidance of pollution, such as set out by Habitat. Against this extension of public land policy are pressures from those who, while agreeing on the need for better settlement planning, are sceptical of the ability of governments and officials to achieve through public administration results which are better than the market's, if only its workings were helped rather than hampered. Furthermore, they are apprehensive that unnecessary government intervention encroaches on individual freedom.[10]

Thus, while accepting that the market has many of the weaknesses described above, some people nevertheless see strength in the market process and do not have equal confidence in government. For this reason they would argue that the market should be extended in certain areas at least, by making more of the rights and obligations under public control subject to negotiation and bargaining by proprietary land units as part of their property. It is interesting to note that pressures in this direction come both from those concerned with extending government concern with welfare[11] and from those convinced that there is too much government concern with welfare.[12]

However, examination of the direction of such pressures and the arguments for them is not my concern here.[13] Rather, my concern is to establish that the dividing line between the private and public in land policy will continue to vary.

NEED FOR A PURPOSEFUL CATEGORIZATION OF LAND POLICY

Although land policy in human settlement planning and development is somewhat strictly defined above, we nonetheless need to recognize that, even within this apparently limited scope, there is great variety. Policies have developed over decades; governments have introduced successive measures aimed at tackling particular problems as they have arisen and have rarely taken the opportunity to tidy up at the same time, so that there is a mixture of established and new policies; and measures adopted have reflected the political complexion of the day, not only in the nature of the ruling parties but also in the counterpoint of the symphony of political influences. The result is that, at present, there is a bewildering accumulation of land policy measures in the world. In any comprehensive review of land policy there must be some attempt at categorization of different measures. The United Nations list of seven categories, each with detailed planning measures suggested, is one approach. There are other good examples of this variety.

The first is Gertler's categorization.[14] As indicated above, he also used the land recommendations of Habitat, listing the seven themes of the land recommendations. However, he subsequently reduced the first five into three issues, namely, use, cost, and ownership.[15] Under these three themes he grouped the land policies of the country under review into: scope—comprehensive, strategic, limited; form—regulation, direct action, fiscal; and value orientation—status quo, experimental, and reform.

My second example is the classic U.N. review of urban land policies and land use and control measures around the world.[16] Of particular interest is the approach which calls land policy the "instruments for implementing urban land policies," such as is adopted in the final global review. It states: "Generally, land can be controlled directly through governmental actions or through legal and fiscal mechanisms. The various measures open to Government have been classified within this typology. It should be noted, however, that this system has been set up for convenience, although to some extent it does grow out of the regional reports, and it is acknowledged that others might view the phenomenon differently." This approach leads to direct governmental

action—possible acquisition of land, public land development, mixed public and private corporations, land registers, training of personnel, or administration of land policies; legal controls—zoning controls, subdivision regulations, and construction and location permits; fiscal controls—taxation, non-profit limited dividend corporation, mobilization of public savings for housing, and government guarantee and development bonds.

My last example is a comparison of land policies around the world in order to reveal those relevant to land policy planning in Britain.[17] For this purpose it is helpful to have a scheme which shows how land policy measures were practised, as follows:

A. Direct control over development—
   1. Control over specific development without taking land.
   2. Control over specific development by taking land.
   3. Control over specific development by direct public authority participation.

B. Fiscal control over development—
   4. Influence over general development by fiscal means.
   5. Influence over specific development by fiscal means.

C. General influence on development—
   6. General influence on the land market.

Specific measures were included in one or more of these categories and then each was described by one of the following terms to show how the measure was used.

1. powers,
2. scope,
3. agency,
4. timing,
5. compensation,
6. financing, and
7. enforcement.

The fact that there are various categories shows that no particular one has any special virtue. More important, categorization itself reveals the content of the matter categorized, and the purpose of the categorization should be considered when the categorization itself is adopted.[18] To paraphrase McLuhan, just as the "medium is the message," so "the categorization is the purpose."

Thus some categorization is needed also in reviewing land policies in particular countries with a view to considering their advancement in relation to the Habitat recommendations. It is too early to work this out

Figure 2: Schematic Illustration of the Impact of Land Policies on the Development Process

Elements in the development process	Category of land policy instrument	A1							A2							A3							B4							B5							C6						
	Specific measures	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Production																																											
Land																																											
Infrastructure Development																																											
Finance																																											
Construction																																											
Entrepreneur																																											
Consumption																																											
Occupier																																											
Operator																																											
Visiting Public																																											

Note: Place an 'x' in corresponding boxes to indicate interaction.

fully, but Figure 2 supplements the scheme described above. It pinpoints where land policies reviewed would affect physical development.

These examples show that even while we are concerned with implementing recommendations prepared by 132 nations, the historic nature of their provision must not be allowed to constrain national implementation. The concern is not the "constitutional" issue, since no member nation would feel bound by the drafting. What is important is the need to have full regard to the substance of the recommendations, if necessary creating more appropriate means to employ them.

RECAPTURING PLUS VALUE

In commenting above on recapturing plus value, I pointed out the complexities behind the definition of what would be appropriate for recapture, and also the controversy that this particular aspect of land policy has aroused in the past. This controversy continued at Habitat. The question of what is appropriate clearly depended on each country's physical conditions, attitudes, ideology, and level of public acceptance of the rights of public bodies to recapture. Indeed, in any country where such measures are discussed, it is the very principles and details of allocation between individuals and between individuals and the community which is the subject of debate.[19] Accordingly it is considered important here to probe this matter further.

My first consideration is what this "plus value" is and how it arises. It is necessary in turn to consider what happens in the land and property markets. If land and improvements to it have any value, it is that they can be used for particular purposes from which is derived some excess of the product's value compared to the cost of production. This concept clearly applies in farming (in the contribution land makes to output) but also in offices (which facilitate the work leading to output) and in dwellings (which provide the shelter to the family). The possibility of obtaining these net outputs is what the occupiers value and for which, if compelled to do so by law, they are prepared to pay a rent or price related to the value of the output to them, being the estimate of the discounted net values for such occupation into the future. The art of valuation is to make the relevant estimates of value according to various assumptions.

Thus, the bid any prospective renter or buyer of property makes is based on his estimate of the value to him of using it through time for a particular purpose, whether for the occupation of property as it stands or for adapting it (from single change of use to major development). But

there will be others with the same or different uses in mind, and they will be faced with different supplies of land, each with different characteristics. This totality is the "land market." It is the successful bid of the potential land user for the property in question which primarily decides the use to which the land is put.

In brief, current land use and its appropriate land value will coincide until there is some prospect of change of use, through development. This is a lengthy process, and once it has started the new use and value do not necessarily coincide. As soon as there is some prospect of development there is a prospective potential use, attracting a potential value which is higher than the current use value. Transactions in the market will reflect this "hope." Competitive bids for the land will discount expectations of value from the development. On the acceptance of the final bid, which is associated with the new land use, and the realization of this land use through development, the use and value for that use will coincide again.

The same process will begin once the prospects of renewal appear in the development created (owing to obsolescence of the established property). Here again there will be some "hope" value with respect to the prospective use, so that the value of the land for potential use and that for current use will again not coincide.

Against this over-simple account of the operation of the land and property market we can see that "plus value" in land is that excess over value for the current use (current use value) which arises from some prospect of development to a potential use (development value). It can occur at any time; and is only of concern when there is an excess; that is, when development value exceeds current use value.

This is all non-controversial. What arouses debate is to what extent it is the public or the landowner/developer who creates this excess value, and thus the extent to which the landowner/developer has the right to the "plus."

A prime historical function of government has been to ensure that the unfettered workings of the market, in the search for maximum land value to the landowner, do not harm the community by poor building standards, environmental pollution, lack of sanitation, and so on. But governments recognized that many of the facilities needed in a town could not be provided by the private sector because they were not profitable. Thus governments created an infrastructure (for example, utility services, transportation) and social overhead (for example, schools, open space) for which the private sector could not be relied upon, and without which the value of private property would be seriously undermined—a town of privately owned land, factories, and

so on without infrastructure and social overhead would hardly be capable of being utilized.

However, these two developments were not enough to create decent human settlements, which led to the introduction of contemporary urban and regional planning and associated land policies in this century. Planning varies according to how respective governments have introduced planning powers and institutions, and the degree to which they have been willing to intervene in the land market for the benefit of public decision-making. Whatever the practice, the result is some degree of change from the pattern of land utilization and land development which would otherwise emerge from the allocation of resources under the influence of the private and public sector, and some difference from the way in which the product is apportioned among those concerned with the ownership, development, and occupation of land.

In order to steer development in the direction visualized in planning, it is necessary to retain control over how land is used; this amounts to control in the change of use from what exists to what developers and operators want. It is in this respect that certain landowners can profit from the opportunity given by such permit; on the theory of floating values this profit would be at the expense of others to whom the privilege is denied, which therefore gives rise to the claim that the planning authority can seek betterment for bestowing the privilege.

These increments of land value are clearly at the disposal of public bodies, whether they are providers of public services or implementers of plans. But there is a third way in which increment can occur, that is, the general growth of the community in numbers, income, and activities which provide the basis for the demand for the goods and services which both the public and private sectors aim to provide.

All these sources of increase are conceptually distinct. Some countries consider that public bodies have the right to claim none, some the first or the second, and other countries perhaps all three. But the recommendation about general growth is clear on this point: it looks to the recapture of the increase in land values on all three. This is just as well in practice because valuers find it difficult to distinguish between the three sources.

Having established the source of the "plus value," it is now necessary to consider what element of this can be said to be "unearned," for this is what the land recommendation is aimed at. In simple terms, this is that part of the increase which is not due to enterprise on behalf of the occupier and operator of the land and buildings, or the developer, who transforms this current use to a new one. If a farmer increases productivity by applying managerial skills and more capital to his

operations, and so increases the net product of the soil (which is the increase in land value), then he is entitled to some reward for the investment of enterprise and capital. If a developer applies enterprise, imagination, money, and risk, to transform a field to an area of dwellings, so increasing the land value, then clearly there should be some reward for him. With this approach, what is "unearned" is the contribution to the higher land value that is simply a product of the gifts of nature to the land, whether in soil, rain, and sunshine in the farming example; or in the location, inherent good qualities of the site for building, and publicly provided infrastructure in the development example.

If the entrepreneur in each instance is rewarded for his labour and capital investment, the residue of the increase in value is attached to the land itself. This is the "unearned increment," in the sense that the landowner need not be a party to the preceding endeavours, except by way of giving permits, but is nonetheless able to capture for himself the enhanced value of the land simply because of his ownership of it, and his legal right to demand some tribute from the potential users of the land for that ownership. This issue was clearly put by the young Winston Churchill:

> fancy comparing these health processes with the enrichment which comes to the landlord who happens to own a plot of land on the outskirts or at the centre of our great cities, who watches the busy population round him making the city larger, richer, more convenient, more famous every day and all the while sits still and does nothing. The roads are made, the streets are made, the railway services are improved, electric light turns night into day, electric trains glide to and fro, water is brought from reservoirs a hundred miles off in the mountains, and all the while the landlord sits still.

Having established what is "unearned," we need to consider what is "appropriate" to recapture such unearned increment. This can be interpreted from at least three points of view. First, there is the question of equity between landowner and state. On this question, there are variations between countries in the adjustments to be made with respect to land value increments which reflect current community codes as regards payment of compensation to landowners, on the one hand, and the recovery of betterment from landowners, on the other.[20]

Second, there is the question of whether the "plus value" of the passive landowner is to be taken in entirety by the state or whether he is to be left with some proportion of the increase, for which it is claimed he has not worked. In theory, there could be recapture of 100 per cent (after allowing reward for enterprise for those who have in fact secured the change), but practice indicates less. For one thing it dies hard with

landowners that they are not "entitled" to rises in land value which come from passive ownership, since landowners have been used to such increases over the centuries, and indeed are looking more and more to them in times of inflation. For another, it also comes hard to the entrepreneur-developer who has traditionally seen part of the reward for his enterprise not simply in the appropriate return for labour and capital but also in land value increments which he has brought about. Then there is also political resistance from those who resist what is regarded as expropriation in any mixed economy.

Third, there are the effects of the redistribution of wealth on how the land market works. Given what landowners regard as a punitive strike against their wealth, there is a strong disinclination to play the market game by offering land to entrepreneurs and developers who wish to use it. This tendency is reinforced by the very nature of land value increments to passive land ownership; it tends to increase in time. Landowners may, in fact, have cause to claim hardship if they buy land at prices which would give them some expected increase in value at the time of purchase, which they would be denied with the introduction of benefits. What needs to be taken into account in imposing a 100 per cent levy or similar charge is that landowners will need to be coerced, for example by taxing the land on the basis of its potential value and the taking over of land by public agencies.

Fourth, there is the ability to devise suitable measures. Many are available, such as the six listed under the third Habitat recommendation. Such measures are not easy to operate with respect to privately owned land, and accordingly the costs of their introduction need to be borne in mind, which may influence the level of what is considered "appropriate."

Finally, there is the mood and atmosphere of the country at the time of the introduction of "appropriate" measures. In some societies, individual land ownership (sometimes seen as a measure of freedom, sometimes as an investment at times of inflation) is so strongly entrenched that vigorous resistance will mount to "recapture" and measures adopted will be politically inoperable. In others, as in the aftermath of a socialist revolution, the image and standing of the landowner is so low that only the most vigorous measures against unearned increment will satisfy the new government and its supporters.

This then is the context in which the third Habitat recommendation is to be seen, the jungle through which a government needs to chop its way to introduce a betterment measure if it is to have a reasonable chance of success. All that need be added here is to recall the history of one relatively stable society, Britain, during the period 1948-79, in

which there were three dramatic introductions of land policy to recapture unearned increment for the community with two dramatic reversals. With the return of a Conservative government in 1979 a third is being promised.

5

IMPLEMENTATION OF THE HABITAT LAND POLICY RECOMMENDATIONS

So far I have explored the substance of land policy in order to provide raw material for those concerned with the implementation of recommendations. For this to happen there needs to be action around the world. I am in no position to review what has been happening in individual countries as a result of Habitat, but I can report some action which would be needed for implementation of land recommendations and some action which has taken place already.

UNITED NATIONS

First must come the United Nations itself, which promoted and organized Habitat, and which clearly is in the best position to follow it up. Following the conference, the U.N. Centre for Housing, Building and Planning in New York recognized the difficulty of implementing recommendations in individual countries since the topic was complex and local experience was limited. The Centre itself did not have the experience or resources to help. Accordingly, they invited the International Centre for Land Policy Studies to assist in framing a five-year action research programme to advance implementation of the land recommendations.

Progress on the research programme was interrupted by the transfer of the New York Centre functions to the Centre for Human Settlements in Nairobi. There the human settlement development programme has been taken on following the second meeting of the Commission for Human Settlement with its new Director, Dr. Arcot Ramachandran, in March 1979. Appendix 3 summarizes the land programme approved by the Commission.

U.N. regional bodies have responded to the land recommendations. For example, the Economic Commission for Europe (Committee for Housing, Building, and Planning) had a seminar on land use policies in

Stockholm in June 1978 at which valuable discussion papers were presented. The discussion led to a series of recommendations which are reproduced in Appendix 2 for comparison with the Habitat land recommendations.

The Stockholm recommendations clearly have been prepared on a more exhaustive and operational basis than those of Vancouver and are more appropriately framed for European conditions. It is a pity that the Vancouver framework was not followed, with necessary amplification, since this would have strengthened that framework along the lines attempted above.

NEW INSTITUTIONS

If land policy implementation is to succeed there will need to be new institutions devoted to the purpose. According to the Secretary-General of the Habitat Conference, Sr. Enrique Penalosa, growth here has been disappointing.[1] Nevertheless, three new institutions have been established under different auspices. First, the government of the Philippines has set up a Ministry for Human Settlements with responsibility also for land policy.[2] Second, in November 1978 the Centre for Human Settlements was opened at the University of British Columbia in Vancouver. Its aim is to carry on regionally the work initiated by the United Nations in that city. Third, in 1977 a group of individuals founded an International Centre for Land Policy Studies, based in London.

INTERNATIONAL EXCHANGE

As emphasized above, while Habitat introduced an international exchange of ideas and information on land (among other aspects of human settlements), there remains the difficulty of communication on this topic in such areas as research and professional and government application to land. Habitat also emphasized the need to overcome these difficulties and to promote international exchange on land in relation to such matters as experience in policy implementation, land policy measures, comparative studies, and technical aid.

It is relevant to mention the role of the International Centre for Land Policy Studies, which contributes international exchange by circulation of a regular newsletter containing information on new legislation, policies, and measures, publications, and research.[3] It has also collaborated with the editor of *Habitat International* to produce a special issue of that journal on the state of the art in world land policy under such headings as description of land (ownership, tenure, utilization,

relevant problems); attitude to land; the meaning of land policies; review of land policies and measures for implementation; and the nature of land practitioners.[4] In association with the Lincoln Institute for Land Policy at Cambridge, Massachusetts, the Centre will sponsor the first International Congress on Land Policy in June 1980 on the theme "Land Policy in the Eighties." This should be the platform for advancing land policy in the next decade.

APPENDIX 1: EXTRACT FROM RECOMMENDATIONS ON HUMAN SETTLEMENTS AT HABITAT, VANCOUVER, JUNE 1976.

A. SETTLEMENT POLICIES AND STRATEGIES

The goals and objectives of human settlement policies and stategies are recalled in the Declaration of Principles of the Habitat Conference.

To achieve these goals and objectives, national settlement policies must be formulated and the means for implementation must be selected and combined into national development strategies. These strategies must then be incorporated in the general planning framework, and the specific goals must become an integral part of national development objectives.

B. SETTLEMENT PLANNING

Planning is a process to achieve the goals and objectives of national development through the rational and efficient use of available resources. Thus plans must include clear goals and adequate policies, objectives and strategies along with concrete programmes.

Planning activities should promote and guide development rather than restrict or simply control it. Imaginative planning should be stimulative and anticipatory; in many cases it might have to remain open-ended and in all cases it should consider options and be based on the best available information and forecasting of demographic, social, economic and technological trends.

C. SHELTER, INFRASTRUCTURE AND SERVICES

The fabric of human settlements consists of physical elements and services to which these elements provide the material support.

The physical components comprise *shelter*, i.e., the superstructures of different shape, size, type and materials erected by mankind for security, privacy and protection from the elements and for his singularity within a community; and *infrastructure*, i.e., the complex networks designed to deliver to or remove from the shelter people, goods, energy or information. *Services* cover those required by a community for the fulfilment of its functions as a social body, such as education, health, culture, welfare, recreation and nutrition.

D. LAND

Land, because of its unique nature and the crucial role it plays in human settlements, cannot be treated as an ordinary asset, controlled by individuals and subject to the pressures and inefficiencies of the market. Private land ownership is also a principal instrument of accumulation and concentration of wealth and therefore contributes to social injustice; if unchecked, it may become a major obstacle in the planning and implementation of development schemes. Social justice, urban renewal and development, the provision of decent dwellings and healthy conditions for the people can only be achieved if land is used in the interests of society as a whole.

Instead, the pattern of land use should be determined by the long-term interests of the community, especially since decisions on location of activities and therefore of specific land uses have a long-lasting effect on the pattern and structure of human settlements. Land is also a primary element of the natural and man-made environment and a crucial link in an often delicate balance. Public control of land use is therefore indispensable to its protection as an asset and the achievement of the long-term objectives of human settlement policies and strategies.

E. PUBLIC PARTICIPATION

Participation is an integral part of the political processes of decision-making; in a field as complex as human settlements, it is also a necessity because the task is too great for Governments to accomplish without mobilizing the interest of inhabitants, using their ingenuity and skills and harnessing otherwise untapped resources.

Public participation is the dynamic incorporation of the people in the economic, social and political life of a country which would ensure that the beneficiary is an effective participant in collective decisions with regard to the common good.

F. INSTITUTIONS AND MANAGEMENT

Policies, strategies, plans and programmes cannot be elaborated or implemented without appropriate instruments. In the field of human settlements, these take the form of political, administrative or technical institutions, enabling legislation and regulatory instruments, and formal procedures for the harnessing of resources, in particular human capabilities.

New institutions on human settlements must be designed to play a variety of roles in development: important among these is that of promoting new concepts and providing leadership in unfamiliar areas. Institutions must also be responsive to change, capable of changing themselves and suitable for promoting change by others.

APPENDIX 2: RECOMMENDATIONS ON LAND USE POLICIES AT COMMITTEE ON HOUSING, BUILDING AND PLANNING, ECONOMIC COMMISSION FOR EUROPE, SEMINAR ON LAND USE POLICIES, STOCKHOLM 12-17 JUNE 1978 (HBP/Sem. 18/2) (31 July 1978)

THEME I: THE RESPECTIVE ROLES OF DEVELOPMENT CONTROL MEASURES AND PUBLIC LAND OWNERSHIP IN LAND USE POLICIES

1. *Control of Land Use*

The public authorities, with the participation of the public, should *control the physical use of urban land* by those who own or have use of it, so as to ensure that in urban development the public interest is given priority.

2. *Appropriation of Urban Land by the Public Authorities*

The community must have the urban land *it needs* for the installation of roads, public buildings, public facilities, and public open spaces. It is desirable that is should also have urban land to facilitate the growth of towns.

3. *Action on Land Prices, or on the Right to Have Use of Land*

The public authorities must be able to *cope with rising urban land prices*, particularly when carrying out public facility projects or other operations in the public interest. Similarly, they must be able to control the right to use land.

4. *Use of Urban Land Use Standards*

It is in the public interest that *land use should be governed by standards* elaborated on the basis of experience gained in the extension of towns or the creation of new towns. In the use of such standards, however, account should be taken of local circumstances (type of land and landscape, climate, etc.); the standards should also permit an improvement and variety in the urban landscape.

5. *Extension of Urban Land*

The public authorities must be able to *control the extension of urban land* particularly when it is liable to result in a reduction of the area of agricultural or wooded land, harm the landscape or result in excessive concentration of population.

6. *Regulations Applicable to Urban Land Owned by the Public Authority*

Land owned by the public authority, or whose use the latter reserves for itself, should be used in *accordance with general and local land use regulations.*

7. *Changes in the Use of Public Land*

Land owned by the public authority should be placed at *the disposal of enterprises*, organizations or individuals on conditions that ensure that the public interest is respected.

THEME II: METHODS OF SECURING THE IMPLEMENTATION OF INTENDED LAND USE WITH PARTICULAR REFERENCE TO TIMING

1. *Factors Influencing the Preparation and Implementation of Land Use Plans*

It is important that, before taking decisions concerning land use, the public authority should take into consideration the various interests involved and give precedence to those which promote the common good and are determined by the long-term interests of the community.

2. *Effectiveness of Incentives to Implement Land Use Plans*

The adoption of appropriate legal, financial and technical measures may help effectively to secure the implementation of land use plans. For greater effectiveness they should be employed simultaneously.

3. *Flexibility of Land Use Plans in the Expansion of Towns or in New Towns*

One purpose of urban land use plans is to define the rights of the owners of land, those who use it and other interested parties. It is important, therefore, both that such plans should be stable and that they should be adaptable to changes in the social, economic and technical conditions of urban life.

4. *Measures to Secure Implementation of a Land Use Plan*

It is important to provide means of securing the implementation of land use plans. Suitable means may be found in the *content* of the plans, in the procedures for their execution and in their integration with socio-economic programmes.

5. *Programming the Implementation of Land Use Plans*

It is desirable that land use planning should be integrated with programming of socio-economic activities. The possibilities for such integration are closely dependent, however, on the national attitude towards the programming of such activities.

6. *Horizontal and Vertical Harmonization of Land Use Plans*

Land use policies must be harmonized with respect to administrative levels as well as to functions. Appropriate machinery should be set up for this purpose.

THEME III: WAYS OF REDISTRIBUTING BENEFITS CREATED BY LAND USE POLICIES

1. *Recovery of Increments in Urban Land Value*

Urban land value increments which result from action and investment by the public authorities should be recovered by them.

2. *Methods of Recovery of Urban Land Value Increments by Taxing*

Growth in the value of urban land is a continuous process which generally calls for continuous recovery.

3. *Criteria for Assessing the Economic Value of Urban Land*

It is useful to determine the economic or the market value of urban land, in order that the public authorities may be able to assess the current value of land belonging to them and of which they grant the use to organizations, enterprises or individuals, and that they may determine the current value of land they wish to purchase or expropriate.

THEME IV: THE APPLICATION OF GENERAL LAND USE POLICIES AND INSTRUMENTS TO PROBLEMS AND OPPORTUNITIES OF THE EXISTING BUILT ENVIRONMENT

1. *Conservation of Historical Areas and Buildings*

When towns possess buildings or monuments of architectural or historical value, or older districts, the urban atmosphere of which should be ensured.

2. *Implementation of Land Use Policies with Reference to the Individuals, Organizations or Enterprises that Own the Land or Use It*

Individuals, organizations or enterprises owning urban land should not be in a position to prevent evolution of the urban structure that has been decided upon by the public authorities and is in the public interest; such evolution should not, however, impair their legitimate rights.

3. *Flexibility of Land Use Plans in the Existing Urban Fabric*

In the existing fabric, land use plans, the main purpose of which is to ensure that towns are adapted to the social, economic and technical conditions of contemporary urban life, should also be adapted to changes in these conditions.

4. *Use of Land Use Guidelines in the Existing Urban Fabric*

Land use guidelines should be used for modernization of the urban fabric. However, such modernization should take account of the presence of residents and of the need to retain certain buildings to maintain the urban atmosphere.

5. *Forms of Public Action to Promote Land Use in the Existing Urban Fabric*

Public authorities should seek to secure, as far as possible, the co-operation of the existing users of urban land in improving the conditions of land use.

APPENDIX 3: PROPOSALS FOR THE 1980-81 WORK PROGRAMME OF THE UNITED NATIONS CENTRE FOR SETTLEMENTS (HABITAT)—Sub-Programme 4: Land Use Policy

SUB-PROGRAMME 4: LAND USE POLICY

(a) *Long-Term Objectives*

To assist Governments in formulating and implementing land policies and supporting legislation that can facilitate tenure, development and use of land in ways consistent with the needs and interests of society as a whole, as well as with protecting the environment.

(b) *Immediate Objectives*

To identify successful ongoing programmes for constructive land tenure patterns, cadastral mapping and land taxation and transfer successful methods and techniques to other countries as appropriate, through technical assistance and information dissemination activities.

(c) *Problems Addressed*

Rapid urbanization in most developing countries, coupled with technological changes, has created demands for land which have encouraged speculation and escalated the price of housing beyond the reach of the majority of the population. Speculation has also inhibited effective planning and implementation of settlement policies by preventing the appropriate location of new projects and by pre-empting investment funds required for shelter and infrastructure.

Land taxation is all too often regarded only as a revenue source and its potential as an important instrument for implementing land policy to guide land use in desired directions is not considered. When land use control is attempted through taxation or other methods, it is frequently not supported by the necessary administrative structure to ensure that land is developed according to prescribed use and at the appropriate time.

In many areas, the rapid expansion of settlements is resulting in residential encroachment on productive agricultural land. This type of encroachment is particularly severe in the vicinity of rapidly expanding urban centres and its control is often beyond the scope of individual local municipal authorities. Land for human settlements is a scarce resource and its effective management as recommended by the Habitat Conference may call for public ownership whenever appropriate, and/or public control.

A fundamental pre-condition to the implementation of land-use policies is the availability of cadastral information which many developing countries do not have. Closely related problems are the absence of information on land values and land capacity, and the absence of institutions with the mandate and resources to gather and use this information. Such information would facilitate the effective administration of property and innovative taxes for the benefit of the community.

As part of defining the overall problem of access to land and meeting the human settlement needs such as housing and related facilities and services for low-income groups, the following questions must be answered with reference to the particular political, economic, social and cultural situation of specific countries and regions:

(a) How can a substantial portion of a country's land holdings be priced to be within the reach of the majority of that country's population?

(b) How can land prices, as reflected in the final cost of housing for low-income groups, be lowered?

(c) How can public ownership and/or control of land contribute to greater housing availability for low-income families?

(d) What government actions can make the market in land more efficient and responsive to a society's needs?

(e) What land taxation measures have the best potential for producing desired land uses?

(d) *Strategy*

The emphasis during the 1980-1981 period will be on assisting governments in the formulation and implementation of the various aspects of land use policies, land tenure, land assessment and taxation systems as an integral part of overall technical co-operation projects, and in organizing, financing and managing urban development corporations, land development authorities, or land banks as types of institutions required to deal with the multiple problems posed. During this period, particular attention will be given to projects aimed at:

(a) determining national and regional land policies and the mechanisms for their implementation, including national legislation pertaining to land tenure, land use patterns, and land taxation policies;

(b) providing guidance for the specific application of such policies and regulations at the local level including cadastral mapping and land assessment procedures; and

(c) providing sites for housing low-income families.

To facilitate this process, particular attention will be given to training in land-resource management and the development of the institutional base in order to aid in creating and improving the capacities of national, regional and local institutions concerned with the administration of land tenure legislation, cadastral mapping, land taxation measures, and land development control regulations. The work will be carried out jointly with the regional commissions, international non-governmental and intergovernmental organizations concerned with land policies and land use control measures.

NOTES

CHAPTER 1: INTRODUCTION

[1] *Report of Habitat: United Nations Conference on Human Settlements* (U.N. 1976); and U.N. General Assembly, Resolution 32/162.

[2] *Ibid.*, p. 4.

[3] *Ibid.*, Ch. 2.

[4] *Ibid.*, Ch. 2 D.

[5] *Ibid.*, p. 61.

[6] *Ibid.*, Part 2.

[7] *Ibid.*, Ch. 1.

[8] *Ibid.*, p. 6.

[9] *Ibid.*, Ch. 2.

CHAPTER 2: MAKING THE LAND RECOMMENDATIONS OPERATIONAL

[1] *Report of Habitat*, p. 61.

[2] *Ibid.*, pp. 62-70.

[3] *Ibid.*, p. 8.

[4] *Ibid.*, p. 4.

[5] H. Darin-Drabkin and N. Lichfield, "Land Utilisation," in M. Goldsmith et al., ed. *A. Strategy for Resources* (Amsterdam: North-Holland Publishing Company, 1977), pp. 20-40.

CHAPTER 3: ARE THE LAND RECOMMENDATIONS ALSO LAND POLICY?

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[2] A 1960 review was entitled *Modern Land Policy*, by the Land Economics Institute, University of Illinois Press.

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CHAPTER 4: THE SUBSTANCE OF LAND POLICY

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2 *Ibid.*

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5 B. Siegan, *Land Use without Zoning* (Lexington, Mass.: D.C. Heath, 1972).

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